Disability Tax Credit (DTC) Fact Sheet

- The disability tax credit (DTC) is a non-refundable tax credit used to reduce the income tax you pay.
- The DTC is available for people with a severe and prolonged physical or mental impairment.
- The DTC is approved or denied by the Canada Revenue Agency (CRA).
- The DTC is meant to help even out the tax burden by allowing some relief for disability costs, since these are unavoidable additional expenses that other taxpayers do not have to face.
- Tax credits are a **direct reduction of the tax you owe**
- To qualify for the DTC, you must submit the **Form T2201, Disability Tax Credit Certificate,** and the CRA must approve your application before you file your income tax return for the year you're claiming the credit. The person with the disability (or a family member) completes Part A of the form and a medical doctor or other health practitioner such as an audiologist, optometrist or psychologist fills out Part B.
- Depending on the onset time of the disability, you may use the credit both in the current year and going back as far as 10 years, resulting in sizeable retroactive tax refunds. To have the disability tax credit back-dated, you must file the CRA form **T1Adj** for each previous tax year in which the person with the disability qualifies.
- Approval for the DTC can also open the door to other valuable federal, provincial or territorial financial assistance programs beyond the tax credit itself, such as the **Registered Disability Savings Plan**, the **Working Income Tax Benefit** disability supplement and the **Child Disability Benefit**.